



2008

Legislative Session Wrap-up



**Employment
Security
Department**
WASHINGTON STATE

Commissioner Karen T. Lee

A letter from Commissioner Karen Lee

Employment Security did very well this session, especially in the Governor's supplemental budget request. At almost the last minute, the Legislature approved \$6.2 million for the Family Leave Insurance program, to cover our startup costs through June 2009. In addition, the Governor allocated one-time Reed Act money, which will allow us to relocate WorkSource Lakewood – great news!

The department also has a role in the Governor's climate-change legislation. The bill takes an ambitious approach to reducing greenhouse-gas emissions. It also requires the department's Labor Market and Economic Analysis branch to identify "green jobs," a new and growing career sector. LMEA's excellence in research and data collection has already and will continue to capture legislative attention.

During the 60-day session, 2,182 bills were introduced by legislators, and we tracked 176 of them as they made their way through the legislative process. Thirty bills passed that will require some follow-up work by our agency. In particular, the Human Resource Services and Unemployment Insurance divisions have follow-up work to do. Each division is assessing tasks assigned by those bills and determining how to implement them.

I am proud of the employees at Employment Security. Every day, your diligence, tenacity and compassion shows – to the communities we serve and to each other. Your work makes a difference in people's lives, especially when they need it the most.

Karen T. Lee
Commissioner

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Budget

2008 supplemental state budget. The Employment Security Department did well this session, despite the state's Economic and Revenue Forecast Council's announcement projecting a revenue reduction of \$423.4 million for the 2007-09 biennium. In the end, the legislature appropriated an additional \$230 million from the general fund and left \$835 million in savings, \$446 million of which will be held in a special rainy-day fund that may be accessed only with a two-thirds majority vote of both houses of the legislature (ESHB 2687).

Climate change. One of Gov. Chris Gregoire's top legislative priorities, the new law (HB 2815) aims to reduce greenhouse-gas emissions in Washington. The final budget provided the department \$222,000 to conduct research to identify "green jobs" and perform labor market analysis of this emerging industry. Green jobs involve more than just renewable energy industries; it could also include solar, hydropower, wind and fuel-cell industries, energy consultants, construction, manufacturing and some service sector workers.

Family leave insurance. In the 2007 legislative session, Washington became the second state (after California) to establish a paid-family-leave insurance program (E2SSB 5659). The bill also created the Joint Legislative Task Force on Family Leave Insurance. During the interim between the 2007 and 2008 legislative sessions, task-force members gave Employment Security Department the authority to implement the benefits plan. The program will begin paying benefits of up to \$250 per week for up to five weeks after the birth of a new child or the placement of a child to be adopted, starting in October 2009. The 2008 supplemental budget included \$6.2 million to pay for Employment Security's startup costs through June 2009.

Underground economy (unregistered businesses). The 2008 supplemental budget included \$155,000 to implement the recommendation of the joint legislative task force on the underground economy in the construction industry (2SHB 3121). Both the Departments of Labor & Industries and our agency will hire more auditors for the underground economy. Because the budget does not provide additional resources to the department, current planning and data activities will have to be re-prioritized to meet the requirements of the bill.

Lakewood WorkSource Office. The Lakewood WorkSource facility does not meet federal disabled-access requirements or safety standards. The substandard conditions also affect the department's ability to deliver services to clients. The 2008 legislature provided \$488,000 from the Reed Act account to relocate the WorkSource office in Lakewood. Office Services will be heavily involved in the relocation process.

Continuity of services to clients. To bridge the gap between expected federal funding and operating costs to maintain services to clients, one-time Reed Act funding was requested. The final budget included \$7.8 million, which partially funded the department's request. This includes \$5.8 million from the Reed Act; the additional \$2 million is state funding.

Budget, Policy & Communications Division (BPCD)

The Budget, Policy and Communications Division is a service division within the Employment Security Department. The division is diverse, in both the services we provide and clients we serve. The Labor Market and Economic Analysis (LMEA) branch provides data, such as wages, income, employment rates, and industry trends and studies, for employers and legislative entities. The Budget and Performance Unit is responsible for monitoring and managing the department's overall budget and developing performance measures. The Financial Management Office provides financial services and technical advice on contracts, grants and interagency agreements, while ensuring regulatory compliance is being met. Office Services oversees the department's statewide facilities, procurements, mail, printing, records and fleet services, in addition to risk management. The Office of Policy and Legislation leads the department's legislative efforts by providing policy, analytic research and management assistance to the organization's senior leaders. The Communications Office is responsible for guiding the department's internal and external communications.

Budget related bills that passed the legislature

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	ESD staff lead
Climate change	E2SHB 2815	Next step in state climate change response, including development of cap-and-trade system and green-job training program	Dunshee (Governor's request)	Conduct research to identify green jobs and industries, including current and projected industry growth and skill requirements	Greg Weeks
Earned Income Tax Credit	ESSB 6809	Provides tax exemption for working families	Pridemore	The Department of Revenue is lead. This is a possible multi-agency public information campaign	Sheryl Hutchison

Issue	Bill Number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Operating budget	ESHB 2687	Family Leave	Sommers (Governor's Request)	Provided \$6.2 million to develop and implement family-leave insurance program	Neil Gorrell
		Climate Change		Allocated \$222,000 to analysis of clean-energy sectors	Greg Weeks
		Underground Economy		Included \$155,000 to implement 2SHB 3121—hiring more auditors to find unregistered construction companies	Lisa Marsh
		Studies		Study: DSHS and UI outreach to unemployment claimants for children's' health-care coverage	Jill Will (with Neil Gorrell)
		Lakewood WorkSource Office		Included \$488,000 from the Reed Act account for relocation	Katherine Randall-Duffy
		Budget: ESD UI funding <i>Section 227</i> * Telecenter automation		Budget will develop implementation plan	Randi Warick (with Doug Gough)
		Continuity of client services		Included \$5.8 million from the Reed Act; \$2 million in state funding	Randi Warick

Employment and Training Division (E&T)

The Employment and Training Division administers and oversees the federal funding for the Workforce Investment Act (WIA) and Trade Adjustment Assistance Act (TAA). E&T works closely with the Governor's staff, state workforce, education and economic development agencies, and the 12 workforce development councils to enhance the state's workforce system. The division also manages the Washington Service Corps and the Governor's Committee on Disability Issues and Employment (GCDE). The bills passed by the legislature support the department's workforce development services.

E&T related bills that passed the legislature

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Housing for people at risk of homelessness	ESSB 5959	Expanding availability of housing for individuals and families at risk of homelessness	Hargrove	Identify how to get information on new laws affecting WorkSource clients to front-line staff. E&T will work closely with the WorkSource division to determine outreach plan. Note: Partial veto, \$126,000 removed from implementation.	Jennifer Thornton
Financial literacy	SB 6272	Expanding financial literacy through education and counseling, promoting homeownership security	Berkey	Identify how to get information on new laws affecting WorkSource clients to front-line staff	Jennifer Thornton

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Grants to community colleges for long-term-care worker training	SSB 6804	Provides grants to community and technical colleges to provide training to long-term-care workers covered by the union	Kilmer	Note: Vetoed by the Governor. The pilot program had a null and void clause. The Legislature did not provide funding.	Jennifer Thornton
Industry skill panels	SSB 5254	Establishes the process for awarding grants for industry skill panels and requires that skill-panel standards be established	Kilmer	Yes – participate in WTECB skill panel application review process and standards review process	Gary Kamimura
Learning opportunities	E2SSB 6673	The Extended Learning Opportunities program is created, to include exploring on-line curriculum in languages other than English. An outreach component is included	McAuliffe	Identify how to get information on new laws affecting WorkSource clients to front-line staff	Jennifer Thornton

Human Resources Services Division (HRSD)

The Human Resources Services Division (HRSD) processes payroll and coordinates personnel transactions to ensure employees are paid accurately and on time. HRSD supports the ESD's key business goals by developing employee competencies, supporting managers through the recruitment and hiring process, addressing labor relation issues and consulting with managers and employees on personnel issues. HRSD also ensures equal opportunity for all ESD employees, compliance with reasonable accommodation requirements, and ensures WorkSource Washington provides universal and equal access to all job seekers. A few bills passed by the legislature this session reflect employee safety, opportunities for professional growth and government accountability. One bill specifically amends the employee whistleblower protection law; other bills establish or expand employee leave rules.

HRSD related bills that passed the legislature

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Dependent-care assistance	HB 2652	Relating to coordination of benefit plans that allow state and public employees to pay on a pretax basis to participate in benefits offered under sections 125 and 129 of the internal revenue code	Morrell	Potential information to staff	Mary Frost
Domestic partnerships	2SHB 3104	Expands rights and responsibilities of domestic partners	Pedersen	Potential information to staff	Mary Frost
Leave sharing for victims	SSB 6500	Allows leave sharing for victims of domestic violence, sexual assault and stalking	Eide	New agency policy needed	Mary Frost

Employment Security Department
Legislative session wrap-up
April 2008

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Victims' employment leave	SHB 2602	Relating to increasing the safety and economic security of victims of domestic violence, sexual assault, or stalking	Kessler	New agency policy needed	Mary Frost
Whistleblower protection	ESSB 6776	Relating to state employee whistleblower protection	Kline	Prepare SLT briefing right away; new agency policy needed	Internal Audit, in conjunction with HR
Workplace e-learning	ESSB 6295	Relating to workplace-based electronically distributed learning	Kilmer	No tasks for HR; Interested in results of pilot study	Mary Frost

Information Technology Services Division (ITSD)

The Information Technology Services Division provides the information and communication systems that support a spectrum of agency operations. Agency employees rely on their networked computers and telephones to assist claimants, employers and job seekers. Technology systems provide around-the-clock access to services via the Internet, along with integrated telephone/data systems. Agency managers rely on technical staff to acquire, develop, enhance and manage systems that serve customers and support agency operations.

ITSD related bills that passed the legislature

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Budget: ESD UI funding <i>Section 227</i> * Telecenter automation Family leave insurance	ESHB 2687	Supplemental funding requested by the department	Sommers	UI will develop implementation plan Provided \$6.2 million to develop and implement family-leave insurance program	Bob DeShaye (with Don Albright) Rick Contois (with Kristi Hughes)

Unemployment Insurance Division (UI)

The Unemployment Insurance (UI) Division provides timely unemployment benefits, helps employers reduce unemployment costs, and investigates business tax-evaders and fraudulent benefit claims. Unemployment benefits help workers maintain purchasing power, which helps keep the economy moving. The bills passed this session address tax evasion in the construction industry; provide unemployment benefits to individuals entering apprenticeship training; allow public employees to use a "divided referendum" process to elect Medicare coverage; and expand the availability of the Secretary of State's Address Confidentiality Program used by certain unemployment benefit claimants.

UI related bills that passed the legislature

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Access to non-conviction information (NCIC bill)	HB 2955	Allows Office of Special Investigations continued access to non-conviction information from the FBI's crime information center	Hunter	No extra tasks – allows continued access to information	Annette Taylor
Address confidentiality programs	SHB 1421	Modifies Secretary of State's address-confidentiality program to include stalking victims	Green	Modify process in telecenters for these new situations	Cheryl Metcalf
	SSB 6339	Includes victims of trafficking in address-confidentiality program	Kohl-Welles	Modify process in telecenters for these new situations	Cheryl Metcalf

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Apprenticeships	SSB 6751	Allows individuals to leave work to enter the training portion of an apprenticeship program of the Apprenticeship Training Council	Kohl-Welles	Modify manuals, do rule-making, program GUIDE	Juanita Myers
Defining independent contractor	ESHB 3122	Changes the definition of independent contractor for construction industry	Conway	Develop and deliver training, rule-making; coordinate employer education messaging/ education with L&I	Lisa Marsh
Domestic violence	SHB 2602	Requires employers to provide leave to employees or family members who are victims of domestic violence, sexual assault or stalking	Kessler	Review and modify manuals as needed	Cheryl Metcalf
	SSB 6500	ESD may permit an employee to receive shared leave if the employee is a domestic violence, sexual assault or stalking victim	Eide	Review and modify manuals as needed	Cheryl Metcalf
	2SHB 3104	Adds domestic partners in many state laws	Pedersen	Amend rules on domestic violence to include domestic partners	Cheryl Metcalf

Employment Security Department
Legislative session wrap-up
April 2008

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Old-Age Survivors Insurance (OASI) divided referendums	HB 2510	Allows public employees in qualified retirement systems (OASI) to split the vote using a "divided referendum" process to elect to have or not have Medicare coverage	Simpson	Allows two outcomes to one election – the program administrator must still conduct the vote process Note: The prime sponsor of the bill has requested agencies provide information on outreach efforts to affected stakeholders.	Lisa Marsh and the Department of Retirement Systems
Underground economy task force proposals	2SSB 6732	Implements task force recommendations on unregistered construction companies	Kohl-Welles	Rule-making, upgrade several tax specialists to auditors, provide support and data for task force and advisory committee Note: Partial veto affects L&I.	Lisa Marsh Art Wang

WorkSource Operations Services Division

The WorkSource Operations Division administers and delivers employment services as a partner in local WorkSource centers. WorkSource is a joint venture of organization dedicated to addressing the state's employment needs. WorkSource centers and affiliates provide information; technology and services that businesses and job seekers need to succeed. WorkSource represents a unique concept in the labor market: a one-stop employment system.

WorkSource related bills that passed the legislature

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Address-confidentiality programs	SHB 1421	Modifies Secretary of State's address-confidentiality program to include stalking victims	Green	Review for effects on SKIES, WorkSource operations and WDC operations	Joe Racek
	SSB 6339	Includes victims of trafficking in address-confidentiality program	Kohl-Welles	Review for effects on SKIES, WorkSource operations and WDC operations	Joe Racek
Child care at colleges and universities	SHB 2582	Requires State Board for Community and Technical Colleges (SBCTC) to administer child-care programs for students	Roberts	*Note: Gov. Chris Gregoire vetoed \$1.1 million in additional child care funding.	Debra Latimer

Issue	Bill number	Short bill description	Prime sponsor	ESD tasks in bill	Staff lead
Child care at colleges and universities (con't)		Also requires SBCTC and Higher Education Coordinating Board to report on child-care programs at their institutions			
Housing for people at risk of homelessness	ESSB 5959	Creates a transitional-housing and rent program for low-income individuals and families	Hargrove	<p>Identify how to get information on new laws affecting WorkSource clients to front-line staff</p> <p>Notes: Partial veto, \$126,000 removed from implementation.</p> <p>WorkSource Division is ESD's representative on the Interagency Council on Homelessness.</p>	Cheryl Boldt

NOTES